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## IN THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF VIRGINIA Richmond Division

In re	)	Chapter 11
	)	
CIRCUIT CITY STORES, INC., et al.	)	Case No. 08-35653 (KRH)
	)	Jointly Administered
Debtors.	)	

LIMITED OBJECTION BY CIRCUIT REALTY NJ LLC TO
DEBTOR'S FIFTH OMNIBUS MOTION FOR ORDER PURSUANT TO
BANKRUPTCY CODE SECTIONS 105(a), 365(a) AND 554 AND
BANKRUPTCY RULE 6006 AUTHORIZING REJECTION OF
CERTAIN UNEXPIRED LEASES OF NONRESIDENTIAL REAL PROPERTY AND
ABANDONMENT OF PERSONAL PROPERTY

Store #3104/Location #6104 3350 Brunswick Pike, Lawrenceville, NJ 08648

Circuit Realty NJ LLC, as assignee of Circuit Investors #4-Lawrenceville Limited Partnership (the "Owner"), by counsel, objects to the Debtor's Fifth Omnibus Motion for Order Pursuant to Bankruptcy Code Sections 105(a), 365(a) and 554 and Bankruptcy Rule 6006 Authorizing Rejection of Certain Unexpired Leases of Nonresidential Real Property and Abandonment of Personal Property (the "Motion") (docket no. 2484). The Owner's objection to the Motion is limited - it concerns only the Debtor's proposed rejection of the putative "Sublease" of premises described as "Location #6104." The lease agreement with respect to Location #6104 (the "Location #6104 Lease") is neither a "Sublease"

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nor an unexpired lease capable of rejection by the Debtor. In further support of its limited objection, the Owner states as follows:

- 1. The Owner and Circuit City Stores, Inc. (the "Debtor"), are parties to a Lease Agreement dated as of February 24, 1993 (the "Store #3104 Lease") pursuant to which the Owner leased to the Debtor, and the Debtor occupied, certain premises described generally as 3350 Brunswick Pike, Lawrenceville, NJ 08648 (the "Premises"). The Debtor rejected the Store #3104 Lease effective as of March 10, 2009, and vacated the Premises.
- 2. The Location #6104 Lease is a lease dated July 22, 1992, originally between the Debtor, as "Landlord," and The Sports Authority, Inc. ("Sports Authority"), which Location #6104 Lease provides, in part, that:

The conditions, covenants and agreements ... contained in this lease shall be binding upon and inure to the benefit of the parties hereto and their respective ... successors ... All covenants and agreements of this lease shall run with the land.

- 3. The Owner is the real party in interest as "Landlord" under the Location #6104 Lease the Owner became the successor to the Debtor with respect to the Location #6104 Lease following its acquisition of the Premises in 1993. The Owner acquired the Premises together with and subject to the Location #6104 Lease meaning that the Location #6104 Lease is not an unexpired lease of nonresidential real property subject to rejection (or assumption) by the Debtor because the Owner, and not the Debtor, is the real party landlord under the Location #6104 Lease.
- 4. Before the rejection of the Store #3104 Lease, the Debtor's sole interest in the Location #6104 Lease was the limited right "to receive all rentals and other income payable to [Owner] under the [Location #6104 Lease]" in the absence of any "Event of Default." That right, along with any

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obligations under the Store #3104 Lease with respect to the Location #6104 Lease, was terminated as of March 10, 2009 - the effective date of the Debtor's rejection of the Store #3104 Lease.

WHEREFORE, the Lessor objects to the Debtors' proposed rejection of the Location #6104

Lease and respectfully requests that the Court deny the Motion insofar as it relates to the Location #6104

Lease and grant such other relief as is appropriate.

Date: March 26, 2009

By: <u>/s/ William A. Broscious</u>

Counsel

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Counsel for Circuit Realty NJ LLC

## **CERTIFICATE OF SERVICE**

I hereby certify that on March 26, 2009, an electronic copy of the foregoing Limited Objection by Circuit Realty NJ LLC to Debtor's Fifth Omnibus Motion for Order Pursuant to Bankruptcy Code Sections 105(a), 365(a) and 554 and Bankruptcy Rule 6006 Authorizing Rejection of Certain Unexpired Leases of Nonresidential Real Property and Abandonment of Personal Property was filed using the Court's ECF System which caused electronic notification of filing to be served on all registered users of the ECF System that have requested such notification in the Circuit City Stores, Inc., *et al.* bankruptcy proceeding.

/s/ William A. Broscious
William A. Broscious, Esq. (VSB #27436)